

May 18, 2004

May Eighteenth

20-----04

The second regular Meeting of Council was held on the above date at 7:00 p.m. in the Council Chambers located on the Fourth floor of the Municipal Building. The following Council Members were present: Ruby B. Archie, P. A. "Pete" Castiglione, Jr., E. Stokes Daniels, Jr., Mayor John C. Hamlin, T. David Luther, Albert K. "Buddy" Rawley, Jr., Sherman M. Saunders, H. Phillip Smith, and Vice-Mayor R. Wayne Williams, Jr. (9).

Staff members present were City Manager Jerry L. Gwaltney, Deputy City Manager M. Lyle Lacy, III, Assistant City Manager for Utilities Joseph C. King, Assistant City Manager for Government Affairs Todd M. Yeatts, Finance Director Aubrey D. Dodson, Budget Director Cynthia L. Thomasson, and City Attorney W. Clarke Whitfield, Jr.

Other Staff members present were Public Works Director Rick Drazenovich, Human Services Director Gwendolyn Edwards, and Human Resources Director Andrea Witt.

Mayor Hamlin presided.

INVOCATION AND PLEDGE OF ALLEGIANCE

Council Member Smith offered the invocation. The Pledge of Allegiance to the Flag followed.

ANNOUNCEMENTS AND SPECIAL RECOGNITION

Mayor Hamlin recognized City Attorney Clarke Whitfield. Mr. Whitfield introduced President Stan Gosney, and members Bob Stinespring, Charlie Dorton, Calvin Gammon, Wayne Howerton, Elbert Finch, and Chuck Vipperman of the Danville Optimist Club. Mr. Whitfield is also a member of the local organization.

Mayor Hamlin proclaimed the week of May 24-28, 2004 as "Optimist Club of Danville Week" in commemoration of the 50th anniversary of the organization. He presented the framed certificate to Mr. Gosney for display at the Club's meetings. Mayor Hamlin expressed sincere appreciation to the work the organization has done and continues to do for the City's young people.

Mayor Hamlin recognized City Manager Gwaltney. Mr. Gwaltney said the Utilities Department has been working very hard to become as customer-friendly as possible. He said that about a year ago, the Utilities Department began to investigate putting into place a Key Accounts Program to work with the City's large utility customers. As part of Business Appreciation Week, Mr. Gwaltney said Assistant City Manager for Utilities Joe King and staff today initiated the Key Accounts Program by having a breakfast meeting with some of the City's largest utility account customers.

Mr. King introduced the new Key Accounts Manager Kevin Martin, whose tenure with the City began on April 1. Mr. Martin is a native of Danville and brings experience from

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the private sector. Mr. King said he and Mr. Martin had worked together to determine what constitutes a key account. They looked at the largest employers and largest taxpayers and came up with about 85 businesses, industries, institutions and agencies. These organizations make up the key accounts list. Mr. King said this is not an exclusive group. Any business, agency, institution or industry that would like to be listed as a key account is welcome to do so.

Mr. Martin thanked Mr. King and Mr. Gwaltney for the opportunity to serve Danville as Key Accounts Manager. He said the Utilities Department is working closely with the Economic Development Department. As part of the Economic Development Department's recruitment process for new industries, the Key Accounts Manager could be the single source of contact for a potential business or industry seeking to locate in the City.

Mr. Gwaltney said Mr. Martin was an asset to the City and would do a great job for the Utilities Department.

Mr. King said that on June 30, 2005 the current electrical supply contract would expire. Utilities Department personnel are working hard to secure the best prices before the contract expires. Conservation programs will be introduced to assist in preparation for the higher rates take effect on July 1, 2005. The Utility Commission is working diligently to help citizens understand the ratemaking process.

In response to Council Member Saunders, Mr. King said Mr. Martin and the Utility Commission would come up with a public information plan that will include all forms of media and repeated notices in the mail. Mr. King said the Utility Commission's plan would be presented to Council upon completion. A rate study is set to get underway in late summer or early fall.

Mayor Hamlin and Council Member Rawley welcomed Mr. Martin to the City's employ and thanked Mr. King for his report.

MINUTES

Upon Motion by Council Member Smith and second by Council Member Daniels, Minutes of the May 6, 2004 Regular Council Meeting were approved as presented. Draft copies had been distributed to Council Members prior to the meeting.

PUBLIC HEARING – SCHOOL BOARD TRUSTEES

Mayor Hamlin opened the floor for a Public Hearing to received input from citizens relating to the School Board Trustee Appointments. Notice of the Public Hearing had been duly published in the Danville Register and Bee on Sunday, May 9, 2004.

Vice-Mayor Williams presented the following name for consideration:

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Alonzo L. Jones.

No further names were presented and the Public Hearing was closed.

PUBLIC HEARING – 2004-2005 PROPOSED BUDGETS

Mayor Hamlin opened the floor for a Public Hearing to consider the proposed 2004-2005 Budget for Capital Improvements, City of Danville, and the School Board. Notice of the Public Hearing was duly published in the Danville Register and Bee on May 9, 2004.

City Manager Gwaltney advised the School Board continues to work on its budget regarding the new funds that have been approved by the State Budget. Based on what was found out today, they are substantial figures. Mr. Gwaltney is seeking to set up a joint meeting with the School Board prior to passage of the School Budget. Because the School Board needs to complete its budget, Mr. Gwaltney recommended that item IX – A3 approving the School Board Budget for Fiscal Year 2004-2005 be removed from the Agenda until Council can receive the final figures. Mr. Gwaltney proposed to have the public hearing for the School Budget during the June 15 meeting.

No one further desired to be heard and the public hearing was closed.

REMOVE ITEM IX-A3 FROM AGENDA – SCHOOL BUDGET

Council Member Saunders moved to remove Item IX-A3 from the Agenda. Mrs. Archie seconded the Motion and was carried unanimously.

APPROVE VARIOUS FUNDS - CITY OF DANVILLE - FISCAL YEAR 2004-2005

Vice-Mayor Williams moved the adoption of a Resolution entitled:

RESOLUTION NO. 2004-05.01

A RESOLUTION APPROVING THE BUDGET OF THE VARIOUS FUNDS OF THE CITY OF DANVILLE FOR THE FISCAL YEAR ENDING JUNE 30, 2005.

Council Member Daniels seconded the Motion.

Mr. Luther said it was his opinion that this was a deficit budget since monies were taken from the Fund Balance to balance the budget. He said the momentum of no tax increases would not last.

Vice-Mayor Williams thanked the department heads for the attention to detail and dedication in holding the line on expenditures. Dr. Williams said that by holding the line, taxpayers were receiving money back due to no increase in taxes the budget was an impressive one.

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Council Member Smith said he felt citizens were satisfied with Council's stewardship since there was no input from citizens during the public hearing. He said Council is trying its very best to provide necessary services at the lowest possible cost. It was Mr. Smith's hope that Council would continue to be able to keep taxes low and provide good services for the Citizens of Danville.

The Resolution was adopted by the following vote:

VOTE: 9-0
AYE: Archie, Castiglione, Daniels, Hamlin, Luther, Rawley, Saunders,
Smith, and Williams (9).
NAY: None (0).

APPROVE FISCAL YEAR 2004-2005 CAPITAL IMPROVEMENTS PLAN

Vice-Mayor Williams moved the adoption of a Resolution entitled:

RESOLUTION NO. 2004-05.02

A RESOLUTION APPROVING THE FISCAL YEAR 2004-2005 CAPITAL IMPROVEMENTS PLAN FOR THE CITY OF DANVILLE, VIRGINIA.

The Motion was seconded by Council Member Castiglione and adopted by the following vote:

VOTE: 9-0
AYE: Archie, Castiglione, Daniels, Hamlin, Luther, Rawley, Saunders,
Smith, and Williams (9).
NAY: None (0).

PUBLIC HEARING-NEW FEES & CHARGES-CEMETERIES

Mayor Hamlin opened the floor for a Public Hearing to consider new charges and fees for cemetery plots and other related services. Notice of the Public Hearing had been duly published in the Danville Register and Bee on May 9, 2004. No one present desired to be heard and the Public Hearing was closed.

Council Member Archie moved the adoption of an Ordinance entitled:

ORDINANCE NO. 2004-05.11

AN ORDINANCE ESTABLISHING NEW FEES AND CHARGES FOR PURCHASE OF CEMETERY PLOTS AND OTHER RELATED SERVICES RENDERED BY THE CITY.

Vice-Mayor Williams seconded by the Motion.

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Council Member Daniels advised that when he was introduced to the proposal for increasing cemetery fees, he said he informed Mr. Gwaltney that he did not disapprove of the figures. He wanted to know what steps the Cemetery Division had taken to cut costs and what policies were in place. He wanted to be able to answer questions when citizens inquired about cemeteries. Mr. Daniels said he could not support the Ordinance because he did not have the information he was seeking.

The Ordinance was adopted by the following vote:

VOTE: 8-1
AYE: Archie, Castiglione, Hamlin, Luther, Rawley, Saunders,
Smith, and Williams (8).
NAY: Daniels (1).

BUDGET AMENDMENT-FY 2003-04-CYBER PARK IMPROVEMENTS

Upon Motion by Council Member Daniels and second by Council Member Saunders, an Ordinance entitled:

ORDINANCE NO. 2004-05.12

AN ORDINANCE AMENDING THE FISCAL YEAR 2003-2004 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUES TO PROVIDE FOR FUNDING FROM THE U. S. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT IN THE AMOUNT OF \$375,000 FOR PUBLIC IMPROVEMENTS FOR THE CITY/COUNTY CYBER PARK

was presented by its First Reading, as required by City Charter, to lie over before final adoption.

RENAME SANITARY ROAD – JONES CROSSING

Council Member Archie moved the adoption of an Ordinance entitled:

ORDINANCE NO. 2004-05.13

AN ORDINANCE RENAMING SANITARY TO JONES CROSSING IN HONOR OF MS. ANNIE JONES.

The Motion was seconded by Council Member Rawley and adopted by the following vote:

VOTE: 9-0
AYE: Archie, Castiglione, Daniels, Hamlin, Luther, Rawley, Saunders,
Smith, and Williams (9).

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NAY: None (0).

EXECUTE DEED OF LEASE-CITY & STATE HEALTH DEPARTMENT

Council Member Castiglione moved the adoption of a Resolution entitled:

RESOLUTION NO. 2004-05.03

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF A DEED OF LEASE BETWEEN THE CITY OF DANVILLE AND THE VIRGINIA STATE DEPARTMENT OF HEALTH FOR THE USE OF 326 TAYLOR DRIVE.

The Motion was seconded by Vice-Mayor Williams and adopted by the following vote:

VOTE: 9-0

AYE: Archie, Castiglione, Daniels, Hamlin, Luther, Rawley, Saunders, Smith, and Williams (9).

NAY: None (0).

In response to Council Member Rawley, Human Services Director Gwendolyn Edwards said a 5% increase was based on expenditures over the past two years for the Health Department.

COMMUNICATIONS

City Manager Gwaltney referred to the Quarterly Financial Report that had been placed at the desk of each Council Member. Mr. Gwaltney said the City administration felt very comfortable with the budget this year. He said it had been a tough year, but felt the City would end up well. The Meals Tax and the Transient Lodgers Tax are doing well. Sales taxes are holding up well and should come in over budget. Telephone taxes are doing very well from a budgetary standpoint. The mobile phone tax revenues are still in question, since this is the first year the City has had such a tax.

Mr. Gwaltney advised that Personal Property Taxes levied in April 2004 generated \$338,540 less tax revenue than in April 2003. The City was under budget for Personal Property Tax by \$259,884 last year. The initial 2004 tax levy (excluding Machinery and Tools) is based on assessments received from the Commissioner of the Revenue in April and reflects a decrease from the prior year levy of \$339,000; however, Machinery and Tools reflect an increase of \$38,000. Based on this information, it is expected this year's Personal Property Tax revenues to be under budget by \$700,000 to \$800,000. This decrease is due in part to changes by the National Automobile Dealers Association values. The Commissioner of the Revenue uses these values for tax assessment purposes and the change was totally unexpected.

Mr. Gwaltney reminded Council Members that several years had been spent researching and preparing for the replacement of the City's legacy computer system. The City "went

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live” on July 1, 2003 on the General Ledger and related modules. Presently, the City is in the post-implementation stage, attempting to fine-tune and adjust software and procedures. The Human Resources/Payroll modules are in the process of being implemented. Mr. Gwaltney complimented the implementation team and City staff for their efforts to work as a team in the resolution of these issues.

Mr. Gwaltney said he was not looking forward to the 2005-2006 Fiscal Year. He said the new school funds should give the City some relief and would watch the City finances very closely.

There were no communications from the Deputy City Manager, City Attorney and City Clerk.

ROLL CALL

Council Member Archie welcomed Kevin Martin back to Danville and to the City’s employ.

Council Member Castiglione said the entire Danville Community College graduation ceremonies could be viewed online.

Council Member Daniels commended the Parks, Recreation and Tourism Department Director John Gilstrap and staff for the successful Festival in the Park over the past weekend.

Council Member Luther said he would like to see the Council Work Sessions televised.

Council Member Rawley welcomed Kevin Martin to the City and thanked the candidates who offered for the School Board Trustee vacancies.

In response to Council Member Saunders, City Manager Gwaltney said the work on the Dr. Martin Luther King, Jr. Memorial Bridge is scheduled to be completed by December 2004, unless there are delays due to weather, etc.

Council Member Smith said he was disappointed that he did not know of the personal property tax shortfall until after the budget was passed.

Vice-Mayor Williams encouraged citizens to participate in their local government by applying to serve on a Council-appointed Board or Commission. He expressed appreciation to those who had already done so.

In response to Vice-Mayor Williams, Deputy City Manager Lacy said the City has an established Task Force know as the Development Review Committee. This Committee meets weekly in the hope that there will be a very short delay time when someone wishes to open a new business in Danville. Mr. Lacy said the Committee is made up of the various disciplines within the City that might come into play when someone is seeking to

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open a business. In order to make the process more efficient and customer-friendly, the City has created a one-stop shop. Community Development Coordinator Randy Gentry coordinates this program and can be reached at 434-799-5261, Ext.241.

The Meeting adjourned at 8:26 P.M.

MAYOR

CLERK